



Entered on Docket
November 15, 2006

Hon. Linda B. Riegle
United States Bankruptcy Judge

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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:
USA COMMERCIAL MORTGAGE COMPANY,
Debtor.

In re:
USA CAPITAL REALTY ADVISORS, LLC,
Debtor.

In re:
USA CAPITAL DIVERSIFIED TRUST DEED FUND,
LLC,
Debtor.

In re:
USA CAPITAL FIRST TRUST DEED FUND, LLC,
Debtor.

In re:
USA SECURITIES, LLC,
Debtor.

Affects:

- ☐ All Debtors
- ☒ USA Commercial Mortgage Company
- ☐ USA Securities, LLC
- ☐ USA Capital Realty Advisors, LLC
- ☐ USA Capital Diversified Trust Deed Fund, LLC
- ☒ USA Capital First Trust Deed Fund, LLC

Case Nos. BK-S-06-10725 LBR
Case Nos. BK-S-06-10726 LBR
Case Nos. BK-S-06-10727 LBR
Case Nos. BK-S-06-10728 LBR
Case Nos. BK-S-06-10729 LBR

Chapter 11

Jointly Administered Under
Case No. BK-S-06-10725 LBR

**ORDER GRANTING MOTION TO
AUTHORIZE DEBTOR USA
COMMERCIAL MORTGAGE COMPANY
AS LOAN SERVICER TO APPROVE
LOAN MODIFICATION FOR PALM
HARBOR ONE LOAN AND TO PROVIDE
THE PREVIOUSLY AUTHORIZED
SUBORDINATION OF THE MARLTON
SQUARE 2ND LOAN
[AFFECTS DEBTORS USA
COMMERCIAL MORTGAGE COMPANY
AND USA CAPITAL FIRST TRUST DEED
FUND, LLC]**

Date: October 30, 2006
Time: 9:30 a.m.

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Before the Court is the “Motion To Authorize Debtor USA Commercial Mortgage Company as Loan Servicer to Approve Loan Modification for Palm Harbor One Loan, to Provide the Previously Authorized Subordination of the Marlton Square 2nd Loan in Connection with the Payoff of the Marlton Square 1st Loan, to Authorize a Short-Term Forbearance for the Marlton Square 1st Loan, and to Generally Authorize Short-Term Loan Forbearances and Full Releases and Reconveyances for Loans Paid Off in Full” (the “Motion”) filed by Debtor in Possession USA COMMERCIAL MORTGAGE COMPANY ("USACM") on October 4, 2006, Docket No. 1434.

The Certificate of Mailing (Docket No. 1531), certifies that the Motion (Docket No. 1434), the Declaration of Thomas J. Allison (Docket No. 1435), and the Notice of Hearing (Docket No. 1448) were served on October 5, 2006, to the 984 parties listed in the Certificate of Mailing, which included the 309 Direct Lenders for the Palm Harbor One Loan, the 272 Direct Lenders for the Marlton Square 1st Loan, and the 108 Direct Lenders for the Marlton Square 2nd Loan.

The Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC (the “FTDF Committee”) filed its Limited Objection to the Motion (Docket No. 1629). The MacDonald Center for the Arts and Humanities (the “MacDonald Center”) filed its Conditional Objection to the Motion (Docket No. 1632), which addresses only the Marlton Square 1st Loan portion of the Motion, which was continued to November 13, 2006. The Official Committee of Unsecured Creditors of USA Commercial Mortgage Company (the “UCC Committee”) filed its Response to the Motion (Docket No. 1649). The Official Committee of Holders of Executory Contract Rights Through USA Commercial Mortgage Company (the “Direct Lenders Committee”) filed its Opposition to the Motion (Docket No. 1653). The Canepa Group (“Canepa”) filed its Joinder (Docket No. 1658) in the Opposition filed by the Direct Lenders Committee. USACM filed the Declaration of Thomas J. Allison on October 4, 2006, as Docket No. 1435, and a Reply in Support of the Motion on October 27, 2006, as Docket No. 1692. At the hearing held on October 30, 2006, appearances were made upon the record, testimony and other evidence were presented and arguments were made concerning the Motion.

The Court having considered the various Declarations of Thomas J. Allison in support of the Motion, the arguments set forth in the Motion and in the Reply, the evidence presented,

representations made, and arguments made at the October 30, 2006 hearing, and other facts of record in the Debtors' bankruptcy cases, and finding that notice of the Motion was adequate and proper, it is hereby

ORDERED that USACM is authorized to take such actions as authorized by, and in accordance with, the existing Loan Service Agreements, and such actions may include, but are not limited to:

- (1) modify the Palm Harbor One Loan (the "Loan Modification") on behalf of Direct Lenders to reduce the minimum sales prices (and corresponding partial release prices) for the condominium units for the Palm Harbor One Project by 20%;
- (2) execute the necessary documentation to put into effect the previously authorized subordination (the "Subordination") of the Marlton Square 2nd Loan to a new development or construction loan for the Marlton Square Project, which is located in Los Angeles, California, if the conditions outlined in the Marlton Square 2nd Loan Agreement and in the Motion for providing the Subordination are satisfied;
- (3) execution of all documents and take all other necessary steps required to implement the Palm Harbor One Loan Modification and the Marlton Square 2nd Loan Subordination outlined above; and
- (4) granting such short-term forbearances of up to 90 days as is consistent with the terms of the Loan Service Agreements.

ORDERED that the automatic 10 day stay under Bankruptcy Rule 6004(g) shall not apply to this Order, and this Order shall be effective immediately upon entry of this Order.

Submitted by:
RAY QUINNEY & NEBEKER P.C. and
SCHWARTZER & MCPHERSON LAW FIRM

Approved / Disapproved by:
SARA L. KISTLER
ACTING UNITED STATES TRUSTEE
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AUGUST B. LANDIS, ASST. U.S. TRUSTEE
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